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EASTERN STEEL PRODUCTS, LIMITED

Room 914
111 Richmond Street West
Toronto 1, Ontario

November 1, 1957.

To the Shareholders of
Eastern Steel Products, Limited

Enclosed herewith is a Notice of Meeting of Shareholders to be held on the 14th day of November, 1957, to consider By-law "R" of the by-laws of the Company enacted by the Directors on the 7th day of October, 1957. A copy of By-law "R" is also enclosed herewith and its provisions are summarized later in this letter.

In the first six months of this year the operations of the Company were carried on at a loss and on the 17th day of July, 1957, The Royal Bank of Canada informed the Company that it required the immediate payment of its demand loan which then amounted to \$1,120,000 plus accrued interest unless the Company could obtain \$600,000 additional working capital at once. Following receipt of this notification the Company endeavoured to obtain additional working capital and to make other banking arrangements, but without success. On the 8th day of August, 1957, petitions were filed in the Supreme Court of Ontario in Bankruptcy by The Royal Bank of Canada and by R. Laidlaw Lumber Co. Limited to have the Company declared bankrupt and these petitions have been adjourned from time to time until the 3rd day of December, 1957.

On the 28th day of August, 1957, Chartered Trust Company as Trustee for the holders of First Secured Debentures of the Company commenced an action in the Supreme Court of Ontario to enforce the provisions of the Trust Deeds, and by Order of the Court, Mr. R. B. Dale-Harris, Toronto, Chartered Accountant, was appointed Receiver and Manager on behalf of Chartered Trust Company and the Debenture Holders of all the undertaking, property and assets of the Company, and was authorized to borrow certain moneys in order to carry on business. Mr. Dale-Harris immediately entered into possession of the property and assets of the Company and has continued the operations of the Company on a limited basis restricting the purchase of materials to those required for work in progress and to fill orders in prospect.

During the period from the 17th July to the 7th October, 1957, a number of efforts were made by and on behalf of the Company to obtain additional financing which would enable the Company to carry on its manufacturing operations as a going concern. The only proposal received by the Company in this connection was made by Mr. Samuel Lunenfeld on September 30, 1957. Mr. Lunenfeld has agreed to purchase \$200,000 principal amount of new General Mortgage Debentures, Series B, to be created by the Company provided that the Company has first made certain arrangements with the holders of its present First Secured Debentures and with its creditors, and that the shareholders have consented to the consolidation of the existing shares of the Company as provided for in By-law "R".

The arrangements required to be made in this connection with the holders of First Secured Debentures and with the Unsecured Creditors of the Company are set out in detail in the Plan of Compromise or Arrangement dated the 10th day of October, 1957, a copy of which is enclosed herewith for the information of shareholders.

It will be observed that one of the conditions to be fulfilled before the proposed Plan of Compromise or Arrangement can become effective is the grant of Supplementary Letters Patent consolidating the

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THEORY OF THE EARTH

By
J. H. VAN DIJK
D. Sc.

First Edition
1912

This book is a treatise on the theory of the earth, dealing with the origin and development of the earth and its various parts. It is written in a clear and concise manner, and is suitable for students of geology and for the general reader.

The book is divided into two main parts. The first part deals with the origin of the earth, and the second part deals with the development of the earth. The first part is divided into three chapters, and the second part is divided into four chapters. The first chapter deals with the origin of the earth, and the second chapter deals with the development of the earth. The third chapter deals with the origin of life, and the fourth chapter deals with the development of life.

The book is written in a clear and concise manner, and is suitable for students of geology and for the general reader. It is a valuable addition to the library of any student of geology, and is also a valuable reference work for the general reader. The book is written in a clear and concise manner, and is suitable for students of geology and for the general reader.

During the past few years, the theory of the earth has been greatly advanced. The discovery of the origin of the earth, and the development of the earth, has been a great achievement. The discovery of the origin of life, and the development of life, has been a great achievement. The discovery of the origin of the earth, and the development of the earth, has been a great achievement.

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shares of the Company as contemplated by By-law "R" to be considered at the shareholders' meeting. It should be emphasized, however, that no representation is made that the Plan of Compromise or Arrangement either in its present form or in some modified form will be approved, but the Plan is forwarded to shareholders only to indicate the stringent financial position in which the Company is placed and the steps being taken to keep the Company alive.

It is reasonably clear that if no financial reorganization of the Company is brought about and the assets of the Company were liquidated either in the present receivership proceedings or in bankruptcy proceedings, the Unsecured Creditors would not receive full payment of their claims and consequently there would be no assets whatever available for shareholders. Therefore, as a part of any financial reorganization it will be necessary to reduce the shareholders' interest in the Company.

It is in the light of these circumstances that By-law "R" is submitted for the consideration of shareholders. This by-law, if approved, authorizes an application for Supplementary Letters Patent under the Companies Act of Canada to provide that the existing 288,150 issued and 111,850 unissued shares without nominal or par value be consolidated into 28,815 issued and 11,185 unissued shares without nominal or par value on the basis of 1 new share for each 10 present shares and that the authorized capital of the Company be increased to 750,000 shares without nominal or par value by the creation of an additional 710,000 shares without nominal or par value.

For the convenience of shareholders who are not able to attend the meeting in person a form of proxy is enclosed which, if returned to the Company and not otherwise specifically indicated, will be voted in favour of the approval of By-law "R". The proxy should be returned to Eastern Steel Products, Limited, Room 914, 111 Richmond Street West, Toronto, Ontario.

Yours very truly,

EASTERN STEEL PRODUCTS, LIMITED

Per: C. F. W. BURNS,
Vice-President.

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EASTERN STEEL PRODUCTS, LIMITED

By-Law "R"

being a by-law consolidating shares in the capital stock of the Company, increasing the capital of the Company and authorizing an application for Supplementary Letters Patent

WHEREAS the capital of the Company consists of four hundred thousand (400,000) shares without nominal or par value of which two hundred and eighty-eight thousand one hundred and fifty (288,150) shares have been issued and are outstanding as fully paid and for the issue of which the Company received a consideration of nine hundred and ninety thousand five hundred and thirty-eight dollars (\$990,538); and

WHEREAS it is deemed necessary and expedient in the interests of the Company to obtain supplementary letters patent confirming this by-law consolidating the shares in the capital stock of the Company, and increasing the capital of the Company as herein provided;

NOW THEREFORE BE IT ENACTED and it is hereby enacted as By-law "R" of EASTERN STEEL PRODUCTS, LIMITED (herein called the "Company") that:

1. Subject to confirmation by supplementary letters patent
 - (a) the two hundred and eighty-eight thousand one hundred and fifty (288,150) issued and one hundred and eleven thousand eight hundred and fifty (111,850) unissued shares without nominal or par value be consolidated into twenty-eight thousand eight hundred and fifteen (28,815) issued shares and eleven thousand one hundred and eighty-five (11,185) unissued shares without nominal or par value respectively on the basis of one (1) new share for each ten (10) present shares, provided that where such procedure results in leaving a fraction of a share in the name of any shareholder, such shareholder shall not be entitled to be entered on the books of the Company in respect of such fraction of a share or to receive a share certificate therefor, but he shall be entitled to receive a transferable fractional warrant in respect of such fraction of a share and upon presentation at the office of the Registrar and Transfer Agent of the Company of fractional warrants for fractions which together constitute a whole share, a share certificate for a whole share shall be issued in respect thereof and the person in whose name such certificate is issued shall be entered on the books of the Company as the holder of such share;
 - (b) the capital stock of the Company be increased from forty thousand (40,000) shares without nominal or par value to seven hundred and fifty thousand (750,000) shares without nominal or par value by the creation of seven hundred and ten thousand (710,000) additional shares without nominal or par value ranking pari passu in all respects with the existing forty thousand (40,000) shares of the capital stock of the Company, provided, however, that the aggregate consideration for the issue of the said seven hundred and fifty thousand (750,000) shares without nominal or par value shall not exceed in amount or value the sum of one million five hundred thousand dollars (\$1,500,000) or such greater amount as the Board of Directors of the Company may deem expedient and as may be authorized by the Secretary of State of Canada on payment of the requisite fees applicable to such greater amount.
2. The Company be and is hereby authorized to make application to the Secretary of State of Canada for supplementary letters patent confirming this by-law.
3. The Directors and Officers be and are hereby authorized and directed to do, sign and execute all things, deeds and documents necessary or desirable for the due carrying out of the foregoing.

ENACTED this 7th day of October, 1957.

WITNESS the corporate seal of the Company.

(C.S.)

PURVIS H. W. BURNS"
LIBRARIAN Vice-President

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"R. MICHAEL BUTLER"
Secretary

